

Message Text

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43

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 AS-01

AID-05 SAM-01 SAB-01 IO-10 /085 W

----- 041946

R 171031Z NOV 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 9001

INFO AMCONSUL JERUSALEM

UNCLAS TEL AVIV 7271

E.O. 11652: N/A

TAGS: PINT IS

SUBJECT: HISTADRUT REACTS TO NEW JUMP IN COST OF LIVING

1. CENTRAL BUREAU OF STATISTICS ANNOUNCED NOVEMBER 14 THAT OCTOBER COST OF LIVING HAD JUMPED BY 6.3 PER CENT. BIG PRICE SPURT IS PRINCIPALLY RESULT OF SEPTEMBER DEVALUATION AND OTHER GOI MEASURES DESIGNED TO CURB CONSUMPTION AND COMES ON TOP OF 11.7 PER CENT INCREASE FOR JANUARY TO SEPTEMBER PERIOD.

2. SUDDEN BUT NOT UNEXPECTED PRICE RISE PUT HISTADRUT LEADERSHIP UNDER PRESSURE TO DEMAND SUPPLEMENTARY COST OF LIVING INCREASE BEFORE END OF THE YEAR WHEN NEXT ADJUSTMENT DUE UNDER CURRENT AGREEMENT. AT THE TIME OF THE SEPTEMBER ECONOMIC MEASURES SECRETARY GENERAL MESHEL, IN ORDER TO SILENCE CRITICISM OF HIS AGREEMENT TO GOI ECONOMIC POLICY, HAD PROMISED TO ASK FOR SUCH INTERIM ADJUSTMENT SHOULD COST OF LIVING RISE ABOVE FIVE PER CENT.

3. HISTADRUT LEADERSHIP, CONSCIOUS OF ITS RESPONSIBILITY TO AVOID INFLATIONARY WAGE INCREASES AND FACED WITH HARDENING GOVERNMENT POSTURE TOWARD UNION DEMANDS, REMAINS RELUCTANT TO OPEN WAGE ISSUE AHEAD OF TIME. HISTADRUT SOURCES INFORMED EMBASSY THAT EXECUTIVE

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BUREAU WILL DISCUSS THIS ISSUE IN NEXT FEW DAYS. PROSPECTS

ARE THAT HISTADRUT AND GOI WILL BEGIN NEGOTIATIONS SOON,
BUT DRAW OUT DECISION AS LONG AS POSSIBLE.
TOON

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NNN

Message Attributes

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